

Message Text

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TO AMEMBASSY COLOMBO IMMEDIATE

C O N F I D E N T I A L STATE 150255

FOR AMBASSADOR

FOLLOWING REPEAT NEW DELHI 9000 SENT ACTION SECSTATE INFO GENEVA,
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QUOTE C O N F I D E N T I A L NEW DELHI 9000

E.O. 11652: GDS

TAGS: PORG, EGEN, IN

SUBJECT: NON-ALIGNED MEETING IN HAVANA: ECONOMIC ISSUES

1. FROM THE POINT OF VIEW OF THE INDIAN REPRESENTATIVE ON THE NACB ECONOMIC COMMITTEE, MEA DIRECTOR GHOSE, THE BUREAU MEETING PRODUCED SOME MODEST RESULTS. FIRST, THE NON-ALIGNED HAD FOR THE FIRST TIME SKETCHED OUT A POLICY APPROACH TO THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD DEVELOPMENT DECADE (PARAS 25 TO 33 OF THE ECONOMIC SECTION OF THE COM-MUNIQUE). SECOND, THE BUREAU CALLED FOR A FULL-SCALE EVALUA-TION IN BELGRADE OF PROGRESS TO DATE IN THE IMPLEMENTATION OF THE ACTION PROGRAM. GHOSE FELT THIS EXERCISE WOULD SPOT-LIGHT THE LAPSES OF SOME "COORDINATING COUNTRIES" AND COULD WELL LEAD TO A CONCENTRATION OF EFFORT ON A LIMITED NUMBER OF MORE FEASIBLE PROJECTS.

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2. MONETARY AND FINANCIAL MATTERS: GHOSE TOLD EMBOFF THAT INDIAN GOVERNMENT WAS PRINCIPALLY INTERESTED IN TWO AREAS OF NON-ALIGNED ECONOMIC WORK: MONETARY AND FINANCIAL ISSUES AND COOPERATION AMONG DEVELOPING COUNTRIES. WITH REGARD TO THE FORMER SHE INFORMED HIM THAT THE RESERVE BANK OF INDIA WAS NOW PREPARING A STUDY IN CONNECTION WITH THE PROPOSED LDC PAY-

MENTS UNION. IT WOULD LOOK AT THE EXPERIENCE OF THE ASIAN CLEARING HOUSE AND OTHER EXISTING ARRANGEMENTS, AND CONSIDER THE POSSIBILITY OF REGIONAL CLEARING SYSTEMS WHICH MIGHT AT A LATER DATE DEVELOP INTERREGIONAL TIES. IN THIS AS IN OTHER AREAS OF ACTION PROGRAM, GHOSE COMMENTED, GOI WAS INTERESTED IN PROCEEDING SLOWLY ON THE BASIS OF THE ASSESSMENT OF PRACTICAL STEPS. GOI WAS ALSO DOING A STUDY ON COOPERATION AMONG LDC CENTRAL BANKS. SHE SAID THE PROPOSALS FOR AN LDC CURRENCY AND AN LDC BANK, WHICH WERE FLOATED IN COLOMBO, ARE NOW DEAD.

3. IN THE BROAD AREA OF COOPERATION AMONG DEVELOPING COUNTRIES, GHOSE NOTED THAT INDIA WOULD BE HOSTING A MEETING OF THE COORDINATING COUNTRIES FOR SCIENCE AND TECHNOLOGY LATER THIS MONTH. (PARA 58 OF COMMUNIQUE ALSO REPORTS INDIA'S OFFER TO BE THE SITE OF THE PROPOSED NON-ALIGNED CENTER FOR SCIENCE AND TECHNOLOGY.)

4. GHOSE SAID THE ECONOMIC COMMITTEE PROCEEDED WITH WORKMANLIKE ATMOSPHERE. THE COMMITTEE ADOPTED THE RULE, WHICH GOI VIGOROUSLY SUPPORTED, THAT THERE SHOULD BE NO RESOLUTIONY

DESPITE THE PRECEDENT SET BY THE SRI LANKAN RESOLUTION ON THE COMMON FUND AT LAST YEAR'S MEETING. ON THE LAST DAY, THE COMMITTEE WORKED STRAIGHT THROUGH FROM TEN AM TO PAST MIDNIGHT IN ORDER TO COMPLETE ITS WORK ON TIME. WORK ON POLITICAL ISSUES, SHE NOTED, REQUIRED BUREAU MEETING TO BE EXTENDED BY

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HALF A DAY. SHE DESCRIBED ATMOSPHERE AS CLAUSTROPHOBIC BECAUSE MEETING ROOMS, RESTAURANTS, OFFICE SPACE (IN INDIAN MINISTER'S SUITE), AND LODGING WERE ALL IN THE HAVANA LIBRE.

5. COMMENT: FROM THE PERSPECTIVE OF NEW DELHI, THE TEXT OF ECONOMIC SECTION OF THE COMMUNIQUE, WHICH GHOSE PROVIDED TO EMBOFF, IS AMAZINGLY MILD IN ITS RHETORIC. FOR EXAMPLE, BUREAU CALLS ON DEVELOPING COUNTRIES TO "MAINTAIN THEIR SOLIDARITY ON THE MAIN ELEMENTS OF THE COMMON FUND" (PARA 78) BUT DOES NOT COMMIT THE BUREAU TO WHAT THOSE ELEMENTS MIGHT BE. CONSISTENT WITH GOI CONCERNS, PROTECTIONISM IS THE FIRST SPECIFIC INTERNATIONAL ECONOMIC ISSUE TO BE DEALT WITH IN THE COMMUNIQUE (PARA 5); BUT BUREAU MERELY CALLS ON DCS "TO TAKE ALL NECESSARY MEASURES TO REVERSE THAT TREND."

6. WE HAVE PREVIOUSLY REPORTED GOI'S OPPOSITION TO INTERNATIONAL ENDORSEMENT OF "BASIC HUMAN NEEDS" APPROACH. IT IS THEREFORE PARTICULARLY INTERESTING TO NOTE THAT THE SECTION ON THE NEW INTERNATIONAL DEVELOPMENT STRATEGY, TO WHICH GHOSE POINTED WITH PRIDE, EXPLICITLY CONDEMNS BHN IN TWO PLACES. BLOOD

UNQUOTE CHRISTOPHER

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